

Tobin & Co.

Whitewater Township

Grand Traverse County, Michigan

Audit Report

For the Year Ended March 31, 2008

Auditing Procedures Report

Instructions and MuniCodes

*=Required Fields

Reset Form

Issued under Public Act 2 of 1968, as amended. (V1.07)

Unit Name* Whitewater Township	County* Grand Traverse	Type* Township	MuniCode*
Opinion Date-Use Calendar* 9/3/08	Audit Submitted-Use Calendar* 9/30/08	Fiscal Year End Month* 03	Fiscal Year* 2008

If a local unit of government (authorities & commissions included) is operating within the boundaries of the audited entity and is NOT included in this or any other audit report, nor do they obtain a stand-alone audit, enclose the name(s), address(es), and a description(s) of the authority and/or commission.

Place a check next to each "Yes" or non-applicable question below. Questions left unmarked should be those you wish to answer "No."

<input checked="" type="checkbox"/> ?	1. Are all required component units/funds/agencies of the local unit included in the financial statements and/or disclosed in the reporting entity notes to the financial statements?
<input checked="" type="checkbox"/> ?	2. Does the local unit have a positive fund balance in all of its unreserved fund balances/unrestricted net assets?
<input checked="" type="checkbox"/> ?	3. Were the local unit's actual expenditures within the amounts authorized in the budget?
<input checked="" type="checkbox"/> ?	4. Is this unit in compliance with the Uniform Chart of Accounts issued by the Department of Treasury?
<input checked="" type="checkbox"/> ?	5. Did the local unit adopt a budget for all required funds?
<input checked="" type="checkbox"/> ?	6. Was a public hearing on the budget held in accordance with State statute?
<input checked="" type="checkbox"/> ?	7. Is the local unit in compliance with the Revised Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, and other guidance as issued by the Local Audit and Finance Division?
<input checked="" type="checkbox"/> ?	8. Has the local unit distributed tax revenues, that were collected for another taxing unit, timely as required by the general property tax act?
<input checked="" type="checkbox"/> ?	9. Do all deposits/investments comply with statutory requirements including the adoption of an investment policy?
<input checked="" type="checkbox"/> ?	10. Is the local unit free of illegal or unauthorized expenditures that came to your attention as defined in the Bulletin for Audits of Local Units of Government in Michigan, as revised (see Appendix H of Bulletin.)
<input checked="" type="checkbox"/> ?	11. Is the unit free of any indications of fraud or illegal acts that came to your attention during the course of audit that have not been previously communicated to the Local Audit and Finance Division? (If there is such activity, please submit a separate report under separate cover.)
<input checked="" type="checkbox"/> ?	12. Is the local unit free of repeated reported deficiencies from previous years?
<input checked="" type="checkbox"/> ?	13. Is the audit opinion unqualified?
	14. If not, what type of opinion is it? NA
<input checked="" type="checkbox"/> ?	15. Has the local unit complied with GASB 34 and other generally accepted accounting principles (GAAP)?
<input checked="" type="checkbox"/> ?	16. Has the board or council approved all disbursements prior to payment as required by charter or statute?
<input checked="" type="checkbox"/> ?	17. To your knowledge, were the bank reconciliations that were reviewed performed timely?
<input checked="" type="checkbox"/> ?	18. Are there reported deficiencies?
<input checked="" type="checkbox"/> ?	19. If so, was it attached to the audit report?

General Fund Revenue:	? 425,589
General Fund Expenditure:	? 328,808
Major Fund Deficit Amount:	\$ 0.00

General Fund Balance:	? 377,328
Governmental Activities Long-Term Debt (see instructions):	? 1,264,832

We affirm that we are certified public accountants (CPA) licensed to practice in Michigan. We further affirm the above responses have been disclosed in the financial statements, including the notes, or in the Management Letter (reported deviations).

CPA (First Name)* DAVID	Last Name* BASLER	Ten Digit License Number* 1101013418		
CPA Street Address* 400 E. Eighth St.	City* Traverse City	State* MI	Zip Code* 49686	Telephone* 231 947-0151
CPA Firm Name* Iobin & Co., PC	Unit's Street Address*	Unit's City*	Unit's Zip*	

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INTRODUCTORY SECTION

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Comments and Recommendations

We have audited the basic financial statements and the individual fund financial statements of Whitewater Township, Grand Traverse County, for the year ended March 31, 2008 and have issued our report thereon. As part of our examination, we made a study and evaluation of the Township's system of internal accounting control to the extent we considered necessary to evaluate the system as required by generally accepted auditing standards. The purpose of our study and evaluation was to determine the nature, timing and extent of the auditing procedures necessary for expressing an opinion on the Township's financial statements. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole.

Our study and evaluation made for the limited purpose described above would not necessarily disclose all material weaknesses in the system. Accordingly, we do not express an opinion on the system of internal control of Whitewater Township taken as a whole. As a result of our examination, we respectfully submit the following comments and recommendations.

General

The accounting records were maintained in excellent condition by your Clerk and Treasurer. Recorded revenues were deposited timely and intact, journals and ledgers were properly posted, Board minutes were maintained in proper order, and supporting documents and follow-up procedures appeared to be in very good order. The efforts of these officials during 2007-2008 are commendable.

Budgets and Procedures

The Township prepared and adopted budgets for its General and Special Revenue Funds. See Note 2 of the "Notes to Financial Statements".

General Fund

The General Fund is presented on Schedule 1 of this report.

Fire Fund

This fund, presented on Schedule 2, is used to account for the special voted tax for fire protection. The Fund balance at March 31, 2008 was \$125,707.

Park Fund

This fund, presented on Schedule 3, is used to account for revenues generated through the use of Township parks. Such revenues are used to operate and maintain the parks. The Fund balance at March 31, 2008 was \$4,204.

Fire Capital Improvement Fund

This fund, presented on Schedule 4, is used to account for monies set aside for the acquisitions of property and buildings. Revenues consisted of a private grant of \$24,000 and earned interest of \$12,234, and an operating transfer of \$45,000 from the Fire Fund. The Fund balance at March 31, 2008 was \$274,040.

WMDLS Road Special Assessment Fund

This fund, presented on Schedule 5, is used to account for special assessment revenues of \$256,780 and earned interest of \$59,543. The fund balance at March 31, 2008 was \$1,399,688.

Road Fund

This fund, presented on Schedules 6 and 7, was initiated by Board resolution and is used to account for Metro Act State Shared Revenues. Metro Act revenues for the fiscal year were \$6,010. Expenditures of \$7,949 were used for right-of-way maintenance. The fund balance at March 31, 2008 was \$9,580.

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Comments and Recommendations

Ambulance Fund

This fund, presented on Schedules 6 and 7, is used to account for revenues derived from ambulance runs which are used to finance the Township ambulance operations. In addition, this Fund received appropriations of \$15,000 from the General Fund during the audit year. The fund balance at March 31, 2008 was \$7,946.

Ambulance Replacement Fund

This fund, presented on Schedules 6 and 7, is used to account for monies set aside for a future ambulance purchase. Revenues for the year consisted of \$1,057 in earned interest. The Fund balance at March 31, 2008 was \$20,701.

Recreation Fund

This fund, presented on Schedules 6 and 7, is used to account for revenues generated from fees for use of recreational facilities. Revenues for the year consisted primarily of \$1,225 charges for service and \$4,200 appropriation from the General Fund. The Fund balance at March 31, 2008 was \$1,130.

Public Improvement Fund

This Fund, permitted by Act 136 of 1956, as amended, is presented on Schedules 6 and 7. It is used to set aside certain miscellaneous revenues for future public improvements authorized by statute. The Fund balance at March 31, 2008 was \$5,140.

Property Tax Collections

The collection and distribution of the 2007 tax levy was handled in an excellent manner by the Township Treasurer. Paid receipts were filed in order of payment. Deposits were made timely and intact. Distributions to taxing units during the collection period were in accordance with statutory requirements.

See Schedules 8 for a summary of the 2007 property tax levy and collections.

Property Tax Administration Fees

A 1% Property Tax Administration fee is authorized by statute to offset such property tax administration costs as assessing, collecting, and the review and appeal process. Fee collections may be used for no other purpose. We note that Whitewater Township complied with statutory provisions as its accumulated administrative expenses exceed fee collections by \$205,710.

Payroll Procedures

The Clerk maintains excellent payroll records. Payroll withholdings were promptly remitted to various agencies and required reports were properly prepared. The Clerk's efforts are commendable.

Pension Plan

We noted that the Township has a pension plan for its elected officials and full-time employees through John Hancock Life Insurance. The Township pays 100% of the cost.

Ambulance Billings

At March 31, 2008, unpaid accounts totaled \$7,582. The Board periodically takes action to write-off uncollectible accounts. An outside billing agency and a collection agency are utilized.

Insurance and Surety Bond Coverage

Records indicate that the Township is insured through Municipal Underwriters of Michigan and has such coverage as fire and extended coverage, general liability, errors and omissions, workmen's compensation, equipment and crime coverage. Board minutes indicate that coverage was reviewed during the audit year. The Clerk, Treasurer, and their deputies, as well as the Supervisor, have specific surety bond coverage and the Township has a blanket surety bond for other employees.

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Comments and Recommendations

Other Data

We are pleased to note the use of interest bearing depository accounts. Investment practices resulted in earned interest of \$138,219 during the audit year. This is commendable on the part of the Treasurer and other Board members.

After completion of our audit, we will submit the necessary copies of our report to the State Department of Treasury.

We again commend the Clerk and Treasurer for the excellent condition of the Township accounting records. We further appreciate the courtesy extended our field auditors in the conduct of this audit.

Your confidence is respected. Please contact us if questions arise or assistance is needed.

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FINANCIAL SECTION

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REPORT OF INDEPENDENT AUDITOR

To the Township Board
Whitewater Township
Grand Traverse County
Williamsburg, Michigan 49690

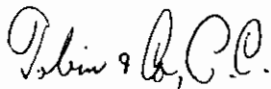
We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate of remaining fund information of Whitewater Township as of and for the year ended March 31, 2008, which collectively comprise the Township's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate of remaining fund information of Whitewater Township, Grand Traverse County at March 31, 2008, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information required by the GASB. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Table of Contents are presented for the purposes of additional analysis and are not a required part of the basic financial statements of Whitewater Township. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.



TOBIN & CO., P.C.
Certified Public Accountants
September 3, 2008

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Whitewater Township Management Discussion and Analysis Letter

As the Township Board of the Whitewater Township, we offer readers of the Township's financial statements this narrative overview and analysis of the financial activities of Whitewater Township for the fiscal year ended March 31, 2008.

Financial Highlights

The assets of Whitewater Township exceeded its liabilities at the close of the most recent fiscal year by \$7,032,383. Of this amount, \$377,328 may be used to meet the Township's ongoing General Fund obligations to citizens and creditors.

As of the close of the current fiscal year, Township's governmental funds reported combined ending fund balances of \$2,225,464, an increase of \$274,513 in comparison with the prior year.

At the end of the current fiscal year, unreserved fund balance for the general fund was \$377,318, or 108% of total general fund expenditures.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Whitewater Township's basic financial statements. The Township's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information, in addition to the basic financial statements themselves.

Government-wide financial statements: The government-wide financial statements are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the Township's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the Township's financial position is improving or deteriorating.

The statement of activities presents information showing how the Township's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes, earned but unused credits, and used but not paid expenses).

Both of the government-wide financial statements distinguish functions of the Township that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Township include: general government, public safety, parks and recreation, road projects, and township improvements. The business-type activities of the Township include sewer operations.

Fund Financial Statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Whitewater Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Whitewater Township maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statements of revenues, expenditures, and changes in fund balances for the General Fund, Fire Fund, Park Fund, Fire Capital Improvement Fund, and WMDLS Road Special Assessment Fund which are considered to be major funds. All Township government activities are included in these five funds plus five non-major governmental funds.

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The Township adopts an annual appropriated budget for its general fund, special revenue and permanent funds. Budgetary comparison statements have been provided for the general fund and other governmental funds to demonstrate compliance with this budget.

Proprietary funds: Whitewater Township maintains one individual proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Township uses an enterprise fund to account for its sewer activities.

Fiduciary funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Township's own programs.

The basic fiduciary fund financial statement can be found on page 21 of this report.

Notes to the financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Fund Analysis and Highlights

General Fund

Work on the proposed zoning ordinance has been put on hold and amendments to the current zoning ordinance are being worked on.

Park Fund

No new projects are planned. It is anticipated that the state of the economy will decrease revenues at the campground.

Recreation Fund

The management plan for the Battle Creek Natural Area was completed and approved by the Township Board. Work to begin implementation of the plan will begin in the 2008-2009 fiscal year. The Township will be seeking grants for implementation of both the Petobego Natural Area and Battle Creek Natural Area management plans.

Fire Capital Improvement Fund

A work group was convened to begin planning for the proposed fire station. It is anticipated that a professional will be contracted to prepare the necessary plans.

Condensed Financial Information

	March 31, 2008			March 31, 2007		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and Other Assets	\$ 3,399,154	\$ 273,530	\$ 3,672,684	\$ 3,506,665	\$ 285,347	\$ 3,792,012
Capital Assets	<u>4,542,807</u>	<u>290,152</u>	<u>4,832,959</u>	<u>4,603,152</u>	<u>297,099</u>	<u>4,900,251</u>
Total Assets	<u>\$ 7,941,961</u>	<u>\$ 563,682</u>	<u>\$ 8,505,643</u>	<u>\$ 8,109,817</u>	<u>\$ 582,446</u>	<u>\$ 8,692,263</u>
Long-term Liabilities	\$ 1,264,832	\$ 178,479	\$ 1,443,311	\$ 1,373,790	\$ 198,135	\$ 1,571,925
Other Liabilities	<u>29,852</u>	<u>97</u>	<u>29,949</u>	<u>227,044</u>	<u>196</u>	<u>227,240</u>
Total Liabilities	<u>\$ 1,294,684</u>	<u>\$ 178,576</u>	<u>\$ 1,473,260</u>	<u>\$ 1,600,834</u>	<u>\$ 198,331</u>	<u>\$ 1,799,165</u>
Net Assets:						
Invested in Capital Assets	\$ 3,277,975	\$ 111,673	\$ 3,389,648	\$ 3,229,362	\$ 98,964	\$ 3,229,362
Restricted	1,408,128	-	1,408,128	1,255,486	-	1,255,486
Unrestricted	<u>1,961,174</u>	<u>273,433</u>	<u>2,234,607</u>	<u>2,024,135</u>	<u>285,151</u>	<u>2,309,286</u>
Total Net Assets	<u>\$ 6,647,277</u>	<u>\$ 385,106</u>	<u>\$ 7,032,383</u>	<u>\$ 6,508,983</u>	<u>\$ 384,115</u>	<u>\$ 6,893,098</u>

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	March 31, 2008			March 31, 2007		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Program Revenues						
Charges for Services	\$ 164,358	\$ 19,260	\$ 183,618	\$ 159,111	\$ 19,742	\$ 178,853
Operating Grants and Contributions	6,010	-	6,010	35,814	-	35,814
Capital Grants and Contributions	24,968	-	24,968	3,972,200	-	3,972,200
General Revenues						
Property Taxes	332,753	-	332,753	314,320	-	314,320
State Shared Revenues	169,731	-	169,731	168,325	-	168,325
Unrestricted Investments Earnings	131,793	6,426	138,219	83,045	7,198	90,243
Miscellaneous	79,029	12,770	91,799	64,338	-	64,338
Total Revenues	<u>908,642</u>	<u>38,456</u>	<u>947,098</u>	<u>4,797,153</u>	<u>26,940</u>	<u>4,824,093</u>
Program Expenses						
Legislative	41,874	-	41,874	43,777	-	43,777
General Government	247,653	-	247,653	273,691	-	273,691
Public Safety	231,807	-	231,807	190,920	-	190,920
Public Works	24,432	37,466	61,898	1,366	25,925	27,291
Recreation and Cultural	122,626	-	122,626	133,301	-	133,301
Interest on Debt Service	101,955	-	101,955	53,209	-	53,209
Total Expenses	<u>770,347</u>	<u>37,466</u>	<u>807,813</u>	<u>696,264</u>	<u>25,925</u>	<u>722,189</u>
Change in Net Assets	<u>\$ 138,295</u>	<u>\$ 990</u>	<u>\$ 139,285</u>	<u>\$ 4,100,889</u>	<u>\$ 1,015</u>	<u>\$ 4,101,904</u>

Capital Asset and Debt Administration

Capital assets: The Township's investment in capital assets for its governmental activities as of March 31, 2008, amounts to \$4,542,807. This investment in capital assets includes: several parcels of land, Township Hall, Parks facilities, Fire and Rescue buildings, Fire and Rescue Trucks and Equipment, and Office Equipment and Computers. All of our government funds report capital outlays as expenditures. However, the cost of the assets is allocated over their useful lives. This fiscal year the amount by which capital outlays exceeded depreciation was \$4,542,807.

Cash Assets: At the end of the current fiscal year, the Township had \$2,344,805 in cash and other spendable assets. The Township is limited by State law in how it can invest these funds, and we have made no changes in our investment strategy in several years.

Long-term Debt: At the end of the current fiscal year, the Township had \$1,187,500 in bonded road debt and \$178,479 in bonded sewer debt and \$77,332 of installment debt outstanding.

Pension Plan: The Township makes contributions equal to approximately 10% of each qualified employee's wage to John Hancock Life Insurance Co. on behalf of each participating employee. This is an expensed item in the budget and totaled \$12,117 for the fiscal year.

Currently Known Facts, Decisions, or Conditions Expected to Significantly Effect Next Year and Beyond

- A community survey will be conducted to assess community opinions prior to revision of the Master Plan. Grants will be applied for to fund this survey.
- The current zoning ordinance will be amended.
- Implementation of the Battle Creek Natural Area and Petobego Natural Area management plans will begin in the 2008/2009 fiscal year.
- A professional will be hired to develop plans for the proposed fire station.
- The land contract for the fire station will be paid off in the 2008/2009 fiscal year.

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Requests for Information

This financial report is designed to provide a general overview of Whitewater Township's finances for all those with an interest in the Township's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Whitewater Township, Carol Hockin, Clerk, P. O. Box 159, Williamsburg, MI 49690.

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Whitewater Township Statement of Net Assets March 31, 2008

<u>Assets</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Cash and Cash Equivalents	\$ 2,172,670	\$ 172,135	\$ 2,344,805
Receivables:			
Due Within One Year	82,646	101,395	184,041
Due in More Than One Year	1,143,838	-	1,143,838
Capital Assets:			
Land	3,673,379	26,000	3,699,379
Other Capital Assets, Net of Depreciation	589,339	260,719	850,058
Intangible Assets, Net of Amortization	<u>280,089</u>	<u>3,433</u>	<u>283,522</u>
Total Assets	<u>7,941,961</u>	<u>563,682</u>	<u>8,505,643</u>
<u>Liabilities</u>			
Accounts Payable and Accrued Expenses	19,362	97	19,459
Deferred Revenue	10,490	-	10,490
Long-term Liabilities, Net of Discounts:			
Due Within One Year	154,835	20,000	174,835
Due in More Than One Year	<u>1,109,997</u>	<u>158,479</u>	<u>1,268,476</u>
Total Liabilities	<u>1,294,684</u>	<u>178,576</u>	<u>1,473,260</u>
<u>Net Assets</u>			
Invested in Capital Assets and Intangible Assets, Net of Related Debt	3,277,975	111,673	3,389,648
Restricted	1,408,128	-	1,408,128
Unrestricted	<u>1,961,174</u>	<u>273,433</u>	<u>2,234,607</u>
Total Net Assets	<u>\$ 6,647,277</u>	<u>\$ 385,106</u>	<u>\$ 7,032,383</u>

See Accompanying Notes to Basic Financial Statements

Whitewater Township
Statement of Activities
March 31, 2008

Functions/Programs	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets			
	Expenses	Fees and Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Legislative	\$ 41,874	\$ -	\$ -	\$ -	\$ (41,874)	\$ -	\$ (41,874)
General Government	247,653	29,698	-	-	(217,955)	-	(217,955)
Public Safety	231,807	32,263	-	24,000	(175,544)	-	(175,544)
Public Works	24,432	-	6,010	-	(18,422)	-	(18,422)
Recreation and Cultural	122,626	102,397	-	968	(19,261)	-	(19,261)
Interest on Debt Service	101,955	-	-	-	(101,955)	-	(101,955)
Total Governmental Activities	770,347	164,358	6,010	24,968	(575,011)	-	(575,011)
Business-type Activities:							
Sewer	37,466	19,260	-	-	-	(18,206)	(18,206)
Total Business-type Activities	37,466	19,260	-	-	-	(18,206)	(18,206)
Total	\$ 807,813	\$ 183,618	\$ 6,010	\$ 24,968	(575,011)	(18,206)	(593,217)
General Revenues:							
Taxes					332,753	-	332,753
State Shared Revenues					169,731	-	169,731
Investment Earnings					131,793	6,426	138,219
Miscellaneous					79,029	12,770	91,799
Total General Revenues					713,306	19,196	732,502
Change in Net Assets					138,295	990	139,285
Net Assets -- Beginning					6,508,982	384,116	6,893,098
Net Assets -- Ending					\$ 6,647,277	\$ 385,106	\$ 7,032,383

See Accompanying Notes to Basic Financial Statements

Whitewater Township
Balance Sheet
Governmental Funds
March 31, 2008

Assets	General	Fire Fund	Park Fund	Fire Capital Improvement Fund	WMDLS Road Spec. Assess. Fund	Other Governmental Fund	Total Governmental Funds
Cash and Cash Equivalents	\$ 370,604	\$ 113,731	\$ 8,246	\$ 274,040	\$ 1,366,216	\$ 39,408	\$ 2,172,245
Petty Cash	425	-	-	-	-	-	425
Accounts Receivable	26,604	13,005	-	-	-	7,819	47,428
Special Assessments Receivable:							
Delinquent	-	-	-	-	23,244	-	23,244
Deferred	-	-	-	-	1,143,838	-	1,143,838
Interest Receivable on Assessments	-	-	-	-	11,969	-	11,969
Due from Other Funds	1,746	-	-	-	-	-	1,746
Total	\$ 399,379	\$ 126,736	\$ 8,246	\$ 274,040	\$ 2,545,267	\$ 47,227	\$ 3,400,895

Liabilities and Fund Equity

Liabilities:							
Accounts Payable	\$ 11,561	\$ 1,029	\$ 4,042	\$ -	\$ -	\$ 2,730	\$ 19,362
Due to Other Funds	-	-	-	-	1,741	-	1,741
Deferred Revenue	10,490	-	-	-	1,143,838	-	1,154,328
Total	22,051	1,029	4,042	-	1,145,579	2,730	1,175,431
Fund Equity:							
Fund Balance -- Reserved	10	-	-	-	1,399,688	8,430	1,408,128
Fund Balance -- Unreserved	377,318	125,707	4,204	274,040	-	36,067	817,336
Total	377,328	125,707	4,204	274,040	1,399,688	44,497	2,225,464
Total Liabilities and Fund Equity	\$ 399,379	\$ 126,736	\$ 8,246	\$ 274,040	\$ 2,545,267	\$ 47,227	

Amounts reported for governmental activities on the statement of net assets are different because:

Capital and intangible assets used in governmental activities are not financial resources and therefore are not reported in the funds.	4,542,807
Long-term receivables reported in the statement of net assets are not financial resources and therefore are deferred in the funds.	1,143,838
Long-term liabilities do not use current financial resources and therefore are not reported in the funds.	(1,264,832)
Net assets of governmental activities.	\$ 6,647,277

Whitewater Township
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended March 31, 2008

	General	Fire Fund	Park Fund	Fire Capital Improvement Fund	WMDLS Road Spec. Assess. Fund	Other Governmental Fund	Total Governmental Funds
<u>Revenues</u>							
Taxes	\$ 172,969	\$ 159,664	-	-	\$ -	\$ 120	\$ 332,753
Licenses and Permits	24,675	-	-	-	-	-	24,675
State Grants	169,731	-	-	-	-	6,010	175,741
Charges for Services	5,023	-	101,172	-	-	29,488	135,683
Interest and Rents	51,884	8,559	1,935	12,234	59,543	2,813	136,968
Other	1,307	4,468	130	24,000	256,780	968	287,653
<u>Total</u>	<u>425,589</u>	<u>172,691</u>	<u>103,237</u>	<u>36,234</u>	<u>316,323</u>	<u>39,399</u>	<u>1,093,473</u>
<u>Expenditures</u>							
Legislative	41,874	-	-	-	-	-	41,874
General Government	208,995	-	-	-	-	-	208,995
Public Safety	47,516	125,962	-	-	-	35,351	208,829
Public Works	-	-	-	-	-	7,949	7,949
Recreation and Cultural	-	-	83,301	-	-	10,414	93,715
Other	26,919	-	-	-	-	-	26,919
Capital Outlay	3,504	-	-	8,290	1,741	6,230	19,765
Debt Service	-	-	16,641	34,273	160,000	-	210,914
<u>Total</u>	<u>328,808</u>	<u>125,962</u>	<u>99,942</u>	<u>42,563</u>	<u>161,741</u>	<u>59,944</u>	<u>818,960</u>
<u>Excess Revenues (Expenditures)</u>	<u>96,781</u>	<u>46,729</u>	<u>3,295</u>	<u>(6,329)</u>	<u>154,582</u>	<u>(20,545)</u>	<u>274,513</u>
<u>Other Financing Sources (Uses)</u>							
Operating Transfers In	-	-	-	45,000	-	19,200	64,200
Operating Transfers (Out)	(19,200)	(45,000)	-	-	-	-	(64,200)
<u>Total</u>	<u>(19,200)</u>	<u>(45,000)</u>	<u>-</u>	<u>45,000</u>	<u>-</u>	<u>19,200</u>	<u>-</u>

	General	Fire Fund	Park Fund	Fire Capital Improvement Fund	WMDLS Road Spec. Assess. Fund	Other Governmental Fund	Total Governmental Funds
<u>Excess Revenues (Expenditures) and Other Financing Sources (Uses)</u>	77,581	1,729	3,295	38,671	154,582	(1,345)	274,513
Fund Balance -- Beginning of Year	<u>299,747</u>	<u>123,978</u>	<u>909</u>	<u>235,369</u>	<u>1,245,106</u>	<u>45,842</u>	
Fund Balance -- End of Year	<u>\$ 377,328</u>	<u>\$ 125,707</u>	<u>\$ 4,204</u>	<u>\$ 274,040</u>	<u>\$ 1,399,688</u>	<u>\$ 44,497</u>	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets over their useful lives is reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current year.							(60,346)
Receipt of principal on long-term receivables are revenues in the governmental funds but a reduction of assets in the statement of activities.							(184,831)
Repayment of note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount of repayment during the period.							<u>108,959</u>
Change in net asset of governmental activities							<u>\$ 138,295</u>

Tobin & Co.

Whitewater Township
Statement of Net Assets
Proprietary Funds
March 31, 2008

	Enterprise Fund and Total Miami Beach Sewer Fund
<u>Assets</u>	
Cash and Cash Equivalents	\$ 172,135
Accounts Receivable	2,309
Special Assessments Receivable:	
Delinquent	1,305
Deferred	96,796
Interest Receivable on Assessments	985
Capital Assets:	
Land	26,000
Other Capital Assets, Net of Depreciation	260,719
Intangible Assets, Net of Amortization	<u>3,433</u>
Total Assets	<u>563,682</u>
<u>Liabilities</u>	
Accounts Payable and Accrued Expenses	97
Long-term Liabilities, Net of Discounts:	
Due Within One Year	20,000
Due in More Than One Year	<u>158,479</u>
Total Liabilities	<u>178,576</u>
<u>Net Assets</u>	
Invested in Capital and Intangible Assets, Net of Related Debt	111,673
Unrestricted	<u>273,433</u>
Total Net Assets	<u>\$ 385,106</u>

See Accompanying Notes to Basic Financial Statements

Tobin & Co.

Whitewater Township
Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Funds
For the Year Ended March 31, 2008

Enterprise Fund
and Total
Miami Beach
Sewer Fund

Operating Revenues

Fees and Charges	\$ 11,640
Special Assessments	7,620
Interest	6,426
Miscellaneous	<u>12,770</u>

Total Operating Revenues 38,456

Operating Expenses

Contractual Services	6,940
Repairs and Maintenance	12,770
Debt Service Interest and Fees	10,810
Depreciation and Amortization	<u>6,946</u>

Total Operating Expenses 37,466

Net Income 990

Retained Earnings – Beginning of Year 41,877

Retained Earnings – End of Year \$ 42,867

See Accompanying Notes to Basic Financial Statements

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Whitewater Township
Statement of Cash Flows
Proprietary Funds
For the Year Ended March 31, 2008

	Enterprise Fund and Total Miami Beach Sewer Fund
<u>Operating Activities</u>	
Collections of Charges for Services	\$ 13,323
Collections of Special Assessments	27,680
Collections of Interest	6,426
Collection of Other Income	12,770
Deduct Expenses Using Cash and Cash Equivalents	<u>(30,274)</u>
Net Cash Flow from Operating Activities	<u>29,925</u>
<u>Capital Financing Activities</u>	
Principal Payments	<u>(20,000)</u>
Cash Flow Used by Capital Financing Activities	<u>(20,000)</u>
<u>Net Increase in Cash</u>	9,925
<u>Balance of Cash – Beginning of Year</u>	<u>162,210</u>
<u>Balance of Cash – End of Year</u>	<u>\$ 172,135</u>
Reconciliation of Net Income with Net Cash Flow from Operating Activities	
Net Income	\$ 990
Add Depreciation and Amortization	7,291
Decrease in Receivables	21,743
Decrease in Payables	<u>(99)</u>
Net Cash Flow from Operating Activities	<u>\$ 29,925</u>

See Accompanying Notes to Basic Financial Statements

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Whitewater Township Statement of Fiduciary Net Assets March 31, 2008

Assets

Cash and Investments	\$ 5
----------------------	------

Total Assets	5
--------------	---

Liabilities

Undistributed Taxes and Interest	5
----------------------------------	---

Total Liabilities	5
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Net Assets	\$ -
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See Accompanying Notes to Basic Financial Statements

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Whitewater Township Notes to Financial Statements March 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Whitewater Township is a general law township located in Grand Traverse County, Michigan. Population as of the 2000 census was 2,467, and the current State equalized valuation of the year of audit was \$268,954,010.

The Township's basic financial statements include the accounts of all Township operations. The criteria for including organizations within the Township's reporting entity, as set forth in GASB No. 14, "*The Financial Reporting Entity*" includes oversight responsibility, fiscal dependency and whether the financial statements would be misleading if data were not included.

Based on the above criteria, there are no other organizations included in these financial statements.

B. Basis of Presentation

The government-wide financial statements (the statement of net assets and the statement of changes in net assets) report information on all of the activities of the Township. The effect of interfund activity, within the governmental activities column, has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements:

The Township segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The Township has presented the following governmental funds:

General Fund – This fund is used to account for all financial transactions not accounted for in another fund, including the general operating expenditures of the Township. Revenues are derived primarily from property taxes, state distributions or grants, and other intergovernmental revenues.

Special Revenue Funds – These funds are used to account for specific governmental revenues (other than expendable trusts and major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

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Whitewater Township
Notes to Financial Statements
March 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued)

Proprietary Funds

These funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position, and cash flow. All assets and liabilities are included in the statement of net assets.

Fiduciary Funds

These funds are used to account for assets held in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

C. Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net assets and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water and sewer services which are accrued. Expenses are recognized at the time the liability is incurred.

Governmental fund and agency fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Township considers property taxes as available if they are collected within 60 days after year end. A one-year availability period is used for recognition of all other Governmental Fund revenues. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

The revenue susceptible to accrual are property taxes, franchise fees, licenses, charges for service, interest income and intergovernmental revenues. All other governmental fund revenues are recognized when received.

D. Budgets

The General Fund and Special Revenue Funds are under formal budgetary control. Budgets shown in the financial statements for these funds were prepared on a basis not significantly different from the modified accrual basis used to reflect actual results and consist only of those amounts contained in the formal budget approved and amended by the Township.

In the body of the financial statements and the required supplementary schedules, the Township's actual and budgeted expenditures for the budgetary funds have been shown on a functional basis. The approved budgets for these funds were adopted to the activity or cost center level.

For budgetary purposes appropriations lapse at fiscal year end.

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Whitewater Township Notes to Financial Statements March 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Township considers all short-term debt securities purchased with a remaining maturity of three months or less when purchased to be cash equivalents.

F. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental columns or business-type activities in the government-wide financial statements. All capital assets are valued at historical cost or estimated historical cost if actual historical is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest is capitalized during the construction period on property, plant and equipment.

Assets capitalized have an original cost of \$1,000 or more and over one year of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Land Improvements	20 years
Sewer Systems	50 years
Buildings	30 – 60 years
Building Improvements	10 – 30 years
Vehicles	3 – 10 years
Office Furniture	3 – 10 years
Equipment	3 – 10 years

G. Property Tax Procedures and Collections

Properties are assessed as of December 31 and the related property taxes become a lien the following July 1 and/or December 1. Real property taxes are collected by the Township Treasurer through February 28 of each year. As of March 1, uncollected real property taxes are returned delinquent to, and collected by, the County Treasurer. Personal property taxes remain the responsibility of the Township Treasurer to collect. It is the policy of the Township to record the real property taxes in the year of levy.

During the collection period prior to March 1, the Township Treasurer makes distribution of the property tax collections to the various taxing units (County, School District, etc.) as required by statute.

For the fiscal year the Township levied property taxes as follows:

	SEV	Taxable Value	Millage Rate
General Operating	\$268,954,010	\$166,661,440	.6021
Fire Protection	\$268,954,010	\$166,661,440	1.0000

H. Special Assessment Revenue

Special Assessment Revenue is recognized in the year of levy. The Township has elected to recognize advance payments of special assessments as revenue upon receipt rather than allocating a portion of such payments to each year's levy.

I. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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Whitewater Township Notes to Financial Statements March 31, 2008

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

- A. We noted no material violations of legal provisions and/or contractual provisions of various agreements related to financial matters.
- B. All funds had positive fund balances at March 31, 2008.
- C. Public Act 621 of 1978, §18, provides that a local unit shall not incur expenditures in excess of the amount appropriated. During the year ended March 31, 2008, no cost center overexpended its budget without formal budget amendment.

NOTE 3 - DEPOSITS WITH FINANCIAL INSTITUTIONS

A. Legal Provisions for Deposits and Investments

Act 20, Public Acts of 1943, as amended by Act 217, Public Acts of 1982, and Act 196, Public Acts of 1997, states that the Township, by resolution, may authorize the Treasurer to invest surplus funds as follows:

- (1) In bonds and other direct obligations of the United States or an agency or instrumentality of the United States.
- (2) In certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank which is a member of the Federal Deposit Insurance Corporation or a savings and loan association which is a member of the Federal Savings and Loan Insurance Corporation or a credit union which is insured by the National Credit Union Administration, but only if the bank, savings and loan association, or credit union complies with subsection (2).
- (3) In commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and which matures not more than 270 days after date of purchase.
- (4) In repurchase agreements consisting of instruments defined in (1) above.
- (5) In bankers' acceptances of United States Banks.
- (6) In obligations of the State of Michigan or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than one standard rating service.
- (7) In mutual funds registered under the investment company Act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by local units of government in Michigan.

B. Types of Deposits and Investments

The Township had \$561,521 deposited with local financial institutions at March 31, 2008 with a carrying value of \$541,691. Interpreting the FDIC insurance coverage of \$100,000 of demand deposits and \$100,000 of time deposits per financial institution, the Township had \$361,521 of uninsured deposits at March 31, 2008. The Township had \$801,168 invested with MBIA Asset Management, rated AAA-V1 by Fitch. In addition the Township has \$1,002,025 of cash with fiscal agents, the insured status of which is unknown.

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Whitewater Township Notes to Financial Statements March 31, 2008

NOTE 4 - CAPITAL/INTANGIBLE ASSETS

	<u>03/31/07</u>	<u>Additions</u>	<u>Deletions</u>	<u>03/31/08</u>
Governmental Activities:				
Land and Improvements	\$ 4,121,524	\$ -	\$ -	\$ 4,121,524
Buildings and Improvements	486,109	-	-	486,109
Vehicles and Equipment	<u>285,661</u>	<u>3,504</u>	<u>-</u>	<u>289,165</u>
Total	4,893,294	3,504	-	4,896,798
Less Accumulated Depreciation	<u>(584,973)</u>	<u>(49,107)</u>	<u>-</u>	<u>(634,080)</u>
Governmental Activities Capital Assets, Net	<u>\$ 4,308,321</u>	<u>\$ (45,603)</u>	<u>\$ -</u>	<u>\$ 4,262,718</u>
Business-type Activities:				
Land	\$ 26,000	\$ -	\$ -	\$ 26,000
Sewer Systems	<u>325,846</u>	<u>-</u>	<u>-</u>	<u>325,846</u>
Total	351,846	-	-	351,846
Less Accumulated Depreciation	<u>(58,610)</u>	<u>(6,517)</u>	<u>-</u>	<u>(65,127)</u>
Business-type Activities Capital Assets, Net	<u>\$ 293,236</u>	<u>\$ (6,517)</u>	<u>\$ -</u>	<u>\$ 286,719</u>

Intangible assets at March 31, 2008 consisted of bond origination costs of \$7,725, less accumulated amortization of \$4,292 and \$3,863 at March 31, 2008 and 2007, respectively, and WMDLS road improvement in process of \$294,831 less accumulated amortization of \$14,742 at March 31, 2008.

NOTE 5 - LOANS AND TRANSFERS BETWEEN FUNDS

The following advance balances between funds existed at March 31, 2008:

\$5 owed from the Current Property Tax Collection Fund to the General Fund.
\$1,741 owed from the WMDLS Road Special Assessment Fund to the General Fund.

The following inter-fund operating transfers were made during the audit year:

\$4,200 from the General Fund to the Recreation Fund
\$15,000 from the General Fund to the Ambulance Fund
\$45,000 from the Fire Fund to the Fire Capital Improvement Fund

NOTE 6 - INVENTORIES

Whitewater Township does not maintain a substantial inventory of supplies or materials. Purchases are normally made as needed, and the items are recorded as expenses at time of purchase.

Tobin & Co.

Whitewater Township Notes to Financial Statements March 31, 2008

NOTE 7 - LONG-TERM DEBT

Enterprise Fund long-term debt at March 31, 2008 consisted of 4.30% to 5.50% Grand Traverse County Whitewater Township Sanitary Sewer System Bonds. The bonds were issued on March 1, 1999 with an original issue amount of \$315,000 and an original issue discount of \$6,300. Principal payments are May 1 and interest May 1 and November 1.

Debt service requirements to maturity:

	<u>Principal</u>	<u>Interest</u>
2008	\$ 20,000	\$ 9,210
2009	20,000	8,165
2010	20,000	7,110
2011	20,000	6,040
2012	20,000	4,950
2013	20,000	3,850
2014	20,000	2,750
2015	20,000	1,650
2016	<u>20,000</u>	<u>550</u>
	<u>\$ 180,000</u>	<u>\$ 44,275</u>

Governmental Funds long-term debt at March 31, 2008 consisted of the following:

4% bonds payable to Grand Traverse County Road Commission. The bonds were issued October 10, 2006 with an original amount of \$1,250,000 with an original issue premium of \$20,798. Principal payments are October 1, and interest April 1 and October 1. The Township is responsible for interest payments on the entire \$2,500,000 issue with the Road Commission responsible for \$1,250,000 of bond principal.

6% land contract payable to individuals, principal and interest due annually on September 29.

Five installment notes payable to Alden State Bank, various dates, 4.25% interest rate, principal and interest payments due annually on various dates.

<u>Year Ended March 31,</u>	<u>Principal</u>	<u>Interest</u>
2008	\$ 154,835	\$ 92,039
2009	139,727	82,113
2010	140,353	71,488
2011	142,417	61,795
2012	130,000	49,800
2013	132,500	39,300
2014	137,500	28,500
2015	142,500	17,300
2016	<u>145,000</u>	<u>5,800</u>
	<u>\$ 1,264,832</u>	<u>\$ 448,135</u>

Changes in Long-term Debt:

	<u>Principal Balance 3/31/07</u>	<u>Additions</u>	<u>Payments</u>	<u>Principal Balance 3/31/08</u>
Sanitary Sewer System Bonds	\$ 200,000	\$ -	\$ 20,000	\$ 180,000
Road Commission Bonds	1,250,000	-	62,500	1,187,500
Land Contract Payable	64,667	-	32,333	32,334
Notes Payable – Alden State Bank	<u>59,124</u>	<u>-</u>	<u>14,126</u>	<u>44,998</u>
Total	<u>\$ 1,573,791</u>	<u>\$ -</u>	<u>\$ 128,959</u>	<u>\$ 1,444,832</u>

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Whitewater Township Notes to Financial Statements March 31, 2008

NOTE 8 - RETIREMENT PLAN

The Township has a defined contribution pension plan for Michigan Township employees under contract with the John Hancock Life Insurance Company. Listed below is a summary of the significant plan provisions adopted by Board resolution in December 1968 and amended December 1995 and January 1996.

A. Eligibility Requirements

1. Attained age of 18 and not more than 75.
2. 90 days minimum service requirement.
3. All elected officials and full-time salaried employees.

B. Contributions

1. 10% of annual compensation funded entirely by the Township on an annual basis.
2. Compensation determined by the basic annual rate of compensation in effect at the beginning of the plan year.
3. Township pays 100% of required annual contribution.

C. Vesting

1. Contributions are vested to the employee immediately upon early retirement, termination of services, death, disability, or normal retirement at 100%.

D. Plan Administration

1. The plan is administered by the Township Clerk.

During the audit year, the total contribution for the plan year, April 1, 2007 to April 1, 2008 was \$11,379. Covered payroll for the year was \$113,786 with total payroll for all employees of \$200,271. The plan was funded at the required contribution amount.

NOTE 9 - ACCOUNTS/TAXES RECEIVABLE

Accounts receivable of \$7,582 in the Ambulance Fund represent amounts due from individuals for ambulance service. Substantially all receivables in the General Fund and other Special Revenue Funds represent 2007 delinquent real and personal property taxes, property tax administration fees and swamp tax.

NOTE 10- PROPERTY TAX ADMINISTRATION FEES

The Township levied the 1% administration fee permitted by statute on all 2007 property taxes. These fees may be used only to offset such property tax administration costs as assessing, collecting and the review and appeal process. Property tax administration fee collection and summer tax collection fees totaled \$55,108, while costs were \$51,872 for the audit year.

NOTE 11- CONTINGENT LIABILITIES

Township officials are aware of no contingent liabilities at March 31, 2008.

NOTE 12- COMPENSATED ABSENCES

The Township provides non-cumulative annual and personal leave to the Zoning Administrator. As of March 31, 2008, there was no liability for compensated absences.

NOTE 13- RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the audit year the Township addressed these risks through the purchase of commercial insurance through Municipal Underwriters of Michigan and Burnham and Flowers Insurance Agency and Michigan Municipal League Workmen's Compensation Fund. There was no significant reduction of insurance coverage from prior years nor have the amounts of any settlements exceeded insurance coverage in any of the past three fiscal years.

Tobin & Co.

Whitewater Township Notes to Financial Statements March 31, 2008

NOTE 14- SEGMENT INFORMATION – ENTERPRISE FUND

The Township maintains a single enterprise fund, which provides sewer services. Segment information for the year ended March 31, 2008 was as follows:

Operating Revenues	\$ 38,456
Depreciation, Depletion and Amortization Expense	6,946
Operating Income	990
Net Income	990
Property, Plant, and Equipment: Additions	-
Net Working Capital	156,637
Total Assets	563,682
Bonds and Other Long-Term Liabilities:	
Payable from Operating Revenues	180,000
Total Equity	385,106

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SUPPLEMENTAL DATA SECTION

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Whitewater Township
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
General Fund
For the Year Ended March 31, 2008

Schedule 1
Page 1

<u>Revenues</u>	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Taxes:				
Property Taxes	\$ 99,609	\$ 99,609	\$ 100,427	\$ 818
Penalties and Interest on Taxes	1,500	1,500	3,684	2,184
Property Tax Administration Fees	50,175	50,175	51,502	1,327
Swamp Tax and Commercial Forest	13,765	13,765	13,750	(15)
Collection Fees	3,626	3,626	3,606	(20)
Licenses and Permits:				
Land Use Permits	3,500	3,500	2,685	(815)
Franchise Fees	20,750	20,750	21,990	1,240
State Grants:				
State Shared Revenues	165,955	165,955	169,731	3,776
Charges for Services:				
Fees	4,300	4,300	2,630	(1,670)
Sales	1,400	1,400	2,393	993
Interest and Rents:				
Interest	15,000	15,000	22,580	7,580
Rents	28,800	28,800	29,304	504
Other:				
Refunds and Reimbursements	1,214	1,214	1,307	93
Total Revenues	<u>409,594</u>	<u>409,594</u>	<u>425,589</u>	<u>15,995</u>
<u>Expenditures</u>				
Legislative:				
Township Board:				
Salaries and Wages	-	-	5,885	-
Office Supplies	-	-	1,891	-
Postage	-	-	83	-
Audit and Accounting	-	-	5,471	-
Clean Up Day	-	-	7,465	-
Pension	-	-	8,985	-
Dues and Memberships	-	-	3,237	-
Mileage	-	-	12	-
Education and Training	-	-	50	-
Publishing	-	-	4,470	-
Other	-	-	732	-
Boardman River Project	-	-	200	-
Township Newsletter	-	-	2,139	-
Refunds	-	-	1,254	-
Total	<u>50,117</u>	<u>50,117</u>	<u>41,874</u>	<u>8,243</u>
Total Legislative	<u>50,117</u>	<u>50,117</u>	<u>41,874</u>	<u>8,243</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

Tobin & Co.

Whitewater Township Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual General Fund For the Year Ended March 31, 2008

Schedule 1
Page 2

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<u>Expenditures (Continued)</u>				
General Government:				
Township Supervisor:				
Salaries and Wages	-	-	25,525	-
Office Supplies	-	-	64	-
Postage	-	-	17	-
Mileage Reimbursement	-	-	354	-
Education	-	-	325	-
Total	<u>27,491</u>	<u>27,491</u>	<u>26,285</u>	<u>1,206</u>
Elections:				
Salaries and Wages	-	-	3,585	-
Office Supplies	-	-	831	-
Postage	-	-	810	-
Software Support	-	-	520	-
Mileage Reimbursement	-	-	234	-
Publishing	-	-	165	-
Total	<u>4,870</u>	<u>6,510</u>	<u>6,145</u>	<u>365</u>
Assessor:				
Office Supplies	-	-	214	-
Postage	-	-	686	-
Assessing Services	-	-	20,600	-
Software Support	-	-	784	-
Total	<u>23,800</u>	<u>23,800</u>	<u>22,284</u>	<u>1,516</u>
Attorney:				
Legal Services	-	-	61,583	-
Total	<u>75,000</u>	<u>75,000</u>	<u>61,583</u>	<u>13,417</u>
Clerk:				
Salaries and Wages	-	-	27,689	-
Office Supplies	-	-	2,407	-
Postage	-	-	1,549	-
Software Support	-	-	1,990	-
Mileage	-	-	549	-
Education	-	-	368	-
Total	<u>34,275</u>	<u>35,000</u>	<u>34,552</u>	<u>448</u>
Board of Review:				
Salaries and Wages	-	-	582	-
Office Supplies	-	-	85	-
Mileage	-	-	231	-
Education and Training	-	-	295	-
Total	<u>1,075</u>	<u>1,350</u>	<u>1,193</u>	<u>157</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

Tobin & Co.

Whitewater Township Statement of Revenues, Expenditures and Changes in Fund Balance -- Budget and Actual General Fund For the Year Ended March 31, 2008

Schedule 1
Page 3

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Expenditures (Continued)</u>				
General Government (Continued):				
Treasurer:				
Salaries and Wages	-	-	26,768	-
Office Supplies	-	-	1,137	-
Postage	-	-	2,549	-
Software Support	-	-	497	-
Mileage Reimbursement	-	-	1,283	-
Education and Training	-	-	755	-
Total	<u>33,525</u>	<u>33,525</u>	<u>32,989</u>	<u>536</u>
Township Hall and Grounds:				
Operating Supplies	-	-	960	-
Lawn Maintenance	-	-	1,500	-
Janitorial	-	-	1,300	-
Waste Removal	-	-	193	-
Snow Plowing	-	-	810	-
Internet	-	-	330	-
Electricity	-	-	1,586	-
Heat	-	-	2,351	-
Telephone	-	-	3,501	-
Maintenance and Repairs	-	-	2,072	-
Total	<u>18,557</u>	<u>18,557</u>	<u>14,603</u>	<u>3,954</u>
Cemetery:				
Salaries and Wages	-	-	17	-
Operating Supplies	-	-	383	-
Cemetery Sexton	-	-	1,040	-
Lawn Maintenance	-	-	6,300	-
Software Support	-	-	537	-
Electricity	-	-	110	-
Maintenance and Repairs	-	-	974	-
Total	<u>9,470</u>	<u>9,671</u>	<u>9,361</u>	<u>310</u>
Total General Government	<u>228,063</u>	<u>230,904</u>	<u>208,995</u>	<u>21,909</u>
Public Safety:				
Planning Commission:				
Salaries and Wages	-	-	2,880	-
Professional Services	-	-	1,530	-
Dues and Memberships	-	-	625	-
Education and Training	-	-	1,005	-
Publishing	-	-	543	-
Printing	-	-	245	-
Total	<u>29,180</u>	<u>29,180</u>	<u>6,828</u>	<u>22,352</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

Tobin & Co.

Whitewater Township Statement of Revenues, Expenditures and Changes in Fund Balance -- Budget and Actual General Fund For the Year Ended March 31, 2008

Schedule 1
Page 4

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Expenditures (Continued)</u>				
Public Safety (Continued):				
Zoning Administrator/Planner:				
Salaries and Wages	-	-	31,461	-
Office Supplies	-	-	1,574	-
Postage	-	-	249	-
Professional Services	-	-	1,155	-
Pension Plan	-	-	3,132	-
Mileage Reimbursement	-	-	1,110	-
Meals and Lodging	-	-	115	-
Education and Training	-	-	734	-
Total	<u>40,491</u>	<u>40,491</u>	<u>39,530</u>	<u>961</u>
Zoning Board of Appeals:				
Salaries and Wages	-	-	630	-
Postage	-	-	14	-
Mileage Reimbursement	-	-	16	-
Education and Training	-	-	110	-
Publishing	-	-	388	-
Total	<u>2,100</u>	<u>2,100</u>	<u>1,158</u>	<u>942</u>
Total Public Safety	<u>71,771</u>	<u>71,771</u>	<u>47,516</u>	<u>24,255</u>
Recreation and Cultural:				
Historical Society	<u>600</u>	<u>600</u>	<u>-</u>	<u>600</u>
Total Recreation and Cultural	<u>600</u>	<u>600</u>	<u>-</u>	<u>600</u>
Other:				
Employee Health Insurance	2,500	2,500	2,459	41
Social Security/Medicare	9,556	9,556	9,303	253
Insurance	16,000	16,000	15,157	843
Contingency	<u>10,000</u>	<u>2,655</u>	<u>-</u>	<u>2,655</u>
Total	<u>38,056</u>	<u>30,711</u>	<u>26,919</u>	<u>3,792</u>
Capital Outlay	<u>-</u>	<u>3,504</u>	<u>3,504</u>	<u>-</u>
Total Expenditures	<u>388,607</u>	<u>387,607</u>	<u>328,808</u>	<u>58,799</u>
<u>Excess Revenues (Expenditures)</u>	<u>20,987</u>	<u>21,987</u>	<u>96,781</u>	<u>74,794</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

Tobin & Co.

Whitewater Township
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
General Fund
For the Year Ended March 31, 2008

Schedule 1
Page 5

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Expenditures (Continued)</u>				
<u>Other Financing Sources (Uses)</u>				
Operating Transfers In	-	-	-	-
Operating Transfers (Out)	(23,116)	(24,116)	(19,200)	4,916
Total	(23,116)	(24,116)	(19,200)	4,916
<u>Excess Revenues (Expenditures) and Other Financing Sources (Uses)</u>	(1) \$ (2,129)	\$ (2,129)	77,581	\$ 79,710
Fund Balance – Beginning of Year			299,747	
Fund Balance – End of Year			\$ 377,328	
(1) Budgeted from Fund Balance				

The Notes to the Basic Financial Statements are an integral part of this statement.

Tobin & Co.

Whitewater Township Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual Fire Fund For the Year Ended March 31, 2008

Schedule 2

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Taxes:				
Property Taxes	\$ 159,551	\$ 159,551	\$ 159,664	\$ 113
Interest and Rents:				
Rent	4,000	4,000	4,000	-
Interest	3,200	3,200	4,559	1,359
Other:				
Refunds and Reimbursements	<u>6,000</u>	<u>6,000</u>	<u>4,468</u>	<u>(1,532)</u>
Total Revenues	<u>172,751</u>	<u>172,751</u>	<u>172,691</u>	<u>(60)</u>
<u>Expenditures</u>				
Salaries and Wages	-	-	10,219	-
Social Security and Medicare	-	-	782	-
Supplies	-	-	2,978	-
Contractual	-	-	93,734	-
Trash and Snow Removal	-	-	1,230	-
Telephone	-	-	1,872	-
Public Utilities	-	-	7,720	-
Maintenance and Repairs	-	-	5,176	-
Mileage Reimbursement	-	-	1,589	-
Refunds	<u>-</u>	<u>-</u>	<u>662</u>	<u>-</u>
Total	<u>144,751</u>	<u>127,751</u>	<u>125,962</u>	<u>1,789</u>
<u>Excess Revenues (Expenditures)</u>	<u>28,000</u>	<u>45,000</u>	<u>46,729</u>	<u>1,729</u>
<u>Other Financing Sources (Uses)</u>				
Operating Transfers In	-	-	-	-
Operating Transfers (Out)	<u>(28,000)</u>	<u>(45,000)</u>	<u>(45,000)</u>	<u>-</u>
Total	<u>(28,000)</u>	<u>(45,000)</u>	<u>(45,000)</u>	<u>-</u>
<u>Excess Revenues (Expenditures) and</u> <u>Other Financing Sources (Uses)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>1,729</u>	<u>\$ 1,729</u>
Fund Balance – Beginning of Year			<u>123,978</u>	
Fund Balance – End of Year			<u>\$ 125,707</u>	

The Notes to the Basic Financial Statements are an integral part of this statement.

Tobin & Co.

Whitewater Township Statement of Revenues, Expenditures and Changes in Fund Balance -- Budget and Actual Park Fund For the Year Ended March 31, 2008

Schedule 3
Page 1

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Charges for Services:				
Camping Fees	\$ 80,880	\$ 80,880	\$ 79,580	\$ (1,300)
Boat Ramp Fees	8,000	8,000	8,515	515
Reservation Fees	3,200	3,200	3,045	(155)
Ice Sales	4,700	4,700	4,312	(388)
Pop Sales	700	700	689	(11)
Wood Sales	2,800	2,800	3,276	476
Shower Fees	1,775	1,775	1,755	(20)
Interest and Rents:				
Interest	100	100	810	710
Rent	1,650	1,650	1,125	(525)
Other:				
Miscellaneous	<u>286</u>	<u>286</u>	<u>130</u>	<u>(156)</u>
Total Revenues	<u>104,091</u>	<u>104,091</u>	<u>103,237</u>	<u>(854)</u>
<u>Expenditures</u>				
Township Park:				
Salaries	-	-	3,510	-
Wages	-	-	38,982	-
Office Supplies	-	-	622	-
Postage	-	-	193	-
Operating Supplies	-	-	5,580	-
Ice	-	-	2,034	-
Pop	-	-	476	-
Uniforms	-	-	237	-
Professional Services	-	-	967	-
Lawn Maintenance	-	-	4,420	-
Waste Removal	-	-	1,176	-
Septic Services	-	-	2,088	-
Unemployment	-	-	2,163	-
Mileage	-	-	166	-
Electricity	-	-	4,526	-
Propane	-	-	1,282	-
Telephone	-	-	2,238	-
Sales Tax	-	-	430	-
Maintenance and Repairs	-	-	8,960	-
Total	<u>83,629</u>	<u>83,629</u>	<u>80,050</u>	<u>3,579</u>
Social Security/Medicare:				
Social Security	-	-	2,635	-
Medicare	-	-	616	-
Total	<u>3,428</u>	<u>3,428</u>	<u>3,251</u>	<u>177</u>
Debt Service:				
Principal	-	-	14,126	-
Interest	-	-	2,515	-
Total	<u>16,641</u>	<u>16,641</u>	<u>16,641</u>	<u>-</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

Tobin & Co.

Whitewater Township
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Park Fund
For the Year Ended March 31, 2008

Schedule 3
Page 2

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Total Expenditures	<u>103,698</u>	<u>103,698</u>	<u>99,942</u>	<u>3,756</u>
<u>Excess Revenues (Expenditures)</u>	<u>\$ 393</u>	<u>\$ 393</u>	<u>3,295</u>	<u>\$ 2,902</u>
Fund Balance – Beginning of Year			<u>909</u>	
Fund Balance – End of Year			<u>\$ 4,204</u>	

The Notes to the Basic Financial Statements are an integral part of this statement.

Tobin & Co.

Whitewater Township Statement of Revenues, Expenditures and Changes in Fund Balance -- Budget and Actual Fire Capital Improvement Fund For the Year Ended March 31, 2008

Schedule 4

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Interest and Rents:				
Interest	\$ 8,500	\$ 8,500	\$ 12,234	\$ 3,734
Other:				
Private Grant	<u>-</u>	<u>24,000</u>	<u>24,000</u>	<u>-</u>
Total	<u>8,500</u>	<u>32,500</u>	<u>36,234</u>	<u>3,734</u>
<u>Expenditures</u>				
Operating Expense and Supplies	-	-	170	-
Professional Services	-	-	8,120	-
Debt Service -- Principal	-	-	32,333	-
Debt Service -- Interest	<u>-</u>	<u>-</u>	<u>1,940</u>	<u>-</u>
Total	<u>34,274</u>	<u>58,274</u>	<u>42,563</u>	<u>15,711</u>
<u>Excess Revenues (Expenditures)</u>	<u>(25,774)</u>	<u>(25,774)</u>	<u>(6,329)</u>	<u>19,445</u>
<u>Other Financing Sources (Uses)</u>				
Operating Transfers In	28,000	28,000	45,000	17,000
Operating Transfers (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>28,000</u>	<u>28,000</u>	<u>45,000</u>	<u>17,000</u>
<u>Excess Revenues (Expenditures) and Other Financing Sources (Uses)</u>	<u>\$ 2,226</u>	<u>\$ 2,226</u>	<u>38,671</u>	<u>\$ 36,445</u>
Fund Balance -- Beginning of Year			<u>235,369</u>	
Fund Balance -- End of Year			<u>\$ 274,040</u>	

The Notes to the Basic Financial Statements are an integral part of this statement.

Tobin & Co.

Whitewater Township
Statement of Revenues, Expenditures and Changes in Fund Balance
WMDLS Road Special Assessment Fund
For the Year Ended March 31, 2008

Schedule 5

<u>Revenues</u>	<u>Actual</u>
Interest and Rents:	
Interest	\$ 59,543
Other:	
Special Assessments	<u>256,780</u>
Total	<u>316,323</u>
<u>Expenditures</u>	
Capital Outlay	1,741
Debt Service – Principal	62,500
Debt Service – Interest	<u>97,500</u>
Total	<u>161,741</u>
<u>Excess Revenues (Expenditures)</u>	154,582
Fund Balance – Beginning of Year	<u>1,245,106</u>
Fund Balance – End of Year	<u>\$ 1,399,688</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

Tobin & Co.

Whitewater Township Combining Balance Sheet Non-Major Governmental Funds March 31, 2008

Schedule 6

	Special Revenue					Total
	Road Fund	Ambulance Fund	Ambulance Replacement Fund	Recreation Fund	Public Improvement Fund	
Assets						
Cash and Cash Equivalents	\$ 9,580	\$ 3,027	\$ 20,701	\$ 960	\$ 5,140	\$ 39,408
Accounts Receivable	-	7,582	-	237	-	7,819
Total Assets	<u>\$ 9,580</u>	<u>\$ 10,609</u>	<u>\$ 20,701</u>	<u>\$ 1,197</u>	<u>\$ 5,140</u>	<u>\$ 47,227</u>
Liabilities and Fund Equity						
Liabilities:						
Accounts Payable	-	2,663	-	67	-	2,730
Total	-	2,663	-	67	-	2,730
Fund Equity:						
Fund Balance – Unrestricted	1,150	7,946	20,701	1,130	5,140	36,067
Fund Balance – Restricted	8,430	-	-	-	-	8,430
Total Fund Equity	<u>9,580</u>	<u>7,946</u>	<u>20,701</u>	<u>1,130</u>	<u>5,140</u>	<u>44,497</u>
Total Liabilities and Fund Balance	<u>\$ 9,580</u>	<u>\$ 10,609</u>	<u>\$ 20,701</u>	<u>\$ 1,197</u>	<u>\$ 5,140</u>	<u>\$ 47,227</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

Tobin & Co.

Whitewater Township Combining Statement of Revenues, Expenditures and Changes in Fund Balance Non-Major Governmental Funds March 31, 2008

Schedule 7

	Special Revenue					Total
	Road Fund	Ambulance Fund	Ambulance Replacement Fund	Recreation Fund	Public Improvement Fund	
<u>Assets</u>						
Taxes:						
Current Taxes	\$ -	\$ -	\$ -	\$ 120	\$ -	\$ 120
State Grants:						
Metro Act	6,010	-	-	-	-	6,010
Charges for Services:						
Fees	-	28,263	-	1,225	-	29,488
Interest and Rents:						
Interest	539	162	1,057	170	885	2,813
Other:						
Miscellaneous	-	-	-	-	968	968
Total	<u>6,549</u>	<u>28,425</u>	<u>1,057</u>	<u>1,515</u>	<u>1,853</u>	<u>39,399</u>
<u>Expenditures</u>						
Public Safety	-	35,351	-	-	-	35,351
Public Works	7,949	-	-	-	-	7,949
Recreation and Culture	-	-	-	10,414	-	10,414
Capital Outlay	-	5,430	-	800	-	6,230
Total	<u>7,949</u>	<u>40,781</u>	<u>-</u>	<u>11,214</u>	<u>-</u>	<u>59,944</u>
<u>Excess Revenues (Expenditures)</u>	<u>(1,400)</u>	<u>(12,356)</u>	<u>1,057</u>	<u>(9,699)</u>	<u>1,853</u>	<u>(20,545)</u>
<u>Other Financing Sources (Uses)</u>						
Operating Transfers In	-	15,000	-	4,200	-	19,200
Operating Transfers (Out)	-	-	-	-	-	-
Total	<u>-</u>	<u>15,000</u>	<u>-</u>	<u>4,200</u>	<u>-</u>	<u>19,200</u>
<u>Excess Revenues (Expenditures) and Other Financing Sources (Uses)</u>	<u>(1,400)</u>	<u>2,644</u>	<u>1,057</u>	<u>(5,499)</u>	<u>1,853</u>	<u>(1,345)</u>
Fund Balance – Beginning of Year	<u>10,980</u>	<u>5,302</u>	<u>19,644</u>	<u>6,629</u>	<u>3,287</u>	<u>45,842</u>
Fund Balance – End of Year	<u>\$ 9,580</u>	<u>\$ 7,946</u>	<u>\$ 20,701</u>	<u>\$ 1,130</u>	<u>\$ 5,140</u>	<u>\$ 44,497</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

Tobin & Co.

Whitewater Township 2007 Property Tax Levy and Collections For the Year Ended March 31, 2008

Schedule 8

	<u>Millage Rate</u>	<u>Adjusted Levy</u>	<u>Collected</u>	<u>Returned Delinquent</u>
County	4.9838	\$ 831,238	\$ 789,007	\$ 42,231
Commission on Aging	0.4858	80,888	73,506	7,382
Medical Care	0.6595	109,988	99,791	10,197
BATA	0.3283	54,750	49,672	5,078
State Education	6.0000	997,264	949,897	47,367
School District:				
Elk Rapids	20.3900	1,636,650	1,538,333	98,317
Traverse City	21.1000	9,893	9,773	120
Intermediate School District	2.9334	489,227	464,396	24,831
Community College	2.8700	478,582	444,304	34,278
District Library	1.1378	189,759	172,328	17,431
Township:				
General	0.6021	100,418	91,105	9,313
Fire Protection	1.0000	159,664	146,668	12,996
Recreation	0.2135	120	-	120
Special Assessments		234,862	197,620	37,242
Sewer Usage		781	288	493
Commercial Forest Reserve		494	494	-
Total		<u>\$ 5,374,578</u>	<u>\$ 5,027,182</u>	<u>\$ 347,396</u>
Percent of Levy Collected		93.54%		

The Notes to the Basic Financial Statements are an integral part of this statement.

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Whitewater Township Statement of Revenues, Expenditures and Balance Property Tax Administration Fees For the Year Ended March 31, 2008

Schedule 9

Revenues

Summer Property Tax Administration Fees	\$ 51,502
Summer Property Tax Collection Fee	<u>3,606</u>
Total	<u>55,108</u>

Expenditures

Assessor	20,600
Assessor Expenses	1,684
Treasurer – (80% of Salary)	20,420
Deputy Treasurer – Wages	1,243
Treasurer Expenses	6,221
Board of Review	1,193
Supervisor – (2% of Salary)	<u>511</u>
Total	<u>51,872</u>

<u>Excess Revenues</u>	<u>\$ 3,236</u>
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<u>Accumulated Excess (Expenditures)</u>	<u>\$ (205,710)</u>
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The Notes to the Basic Financial Statements are an integral part of this statement.

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To the Township Board
Whitewater Township

We have audited the financial statements of Whitewater Township for the year ended March 31, 2008 and have issued our report thereon dated September 3, 2008. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated January 24, 2008, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with U.S. generally accepted accounting principles. Because an audit is designed to provide reasonable but not absolute assurance, and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist but not be detected by us.

As part of our audit, we considered the internal control of Whitewater Township. Such consideration was solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

Internal Control

In planning and performing our audit, we considered the internal control over financial reporting of the Township as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing opinion on the effectiveness of the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the ability to

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initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the financial statements that is more than inconsequential will not be prevented or detected by the internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the internal control. Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we consider each of the following significant deficiencies to be a material weakness.

Segregation of Duties

A properly designed system of internal control segregates the accounting responsibilities from employees who have access to physical assets such as cash, investments and payroll, from authorization and approval of transactions and account reconciliations. The small size of the administrative staff precludes a complete segregation of duties resulting in more than a remote risk that material misstatements could occur and not be detected in the normal course.

Reporting Financial Data

The above definition of a significant deficiency includes any condition that adversely affects the ability to report financial data in accordance with generally accepted accounting principles ("GAAP"). As a matter of convenience, the Township has always relied upon its auditors to prepare financial statements and related notes and supplemental schedules for external reporting in accordance with GAAP. As a consequence, the Township has not developed the tools and resources necessary to enable its employees to prepare reports in conformity with GAAP in the normal course of performing their assigned functions. The Township has committed the resources necessary to meet its internal reporting needs. In this regard, it is not unlike many other townships of its size.

Significant Accounting Policies

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Whitewater Township are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2007-2008. We noted no transactions entered into by the Township during the year that were both significant and unusual and of

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which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. However, none of management's estimates are considered to be particularly sensitive.

Audit Adjustments

For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on the Township's financial reporting process (that is, cause future financial statements to be materially misstated). In our judgment, none of the adjustments we proposed, whether recorded or unrecorded by the Township, either individually or in the aggregate, indicates matters that could have a significant effect on the Township's financial reporting process.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Township's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the

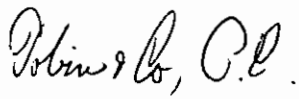
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Township's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

No Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

This information is intended solely for the use of the Township Board and management of Whitewater Township and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Tobin & Co., P.C.".

Tobin & Co., P.C.

September 3, 2008